

A bill for an act  
relating to disaster relief; responding to storms and floods of March and April  
2009; providing money to match federal disaster assistance made available  
through FEMA Public Assistance Program and Individual Assistance Program;  
providing aid for costs that are not eligible for assistance through those programs  
or from other federal government agencies or insurance; providing for flood  
disaster enrollment impact aid to school districts; providing for temporary  
waivers of certain program requirements; providing aid for Hugo tornado;  
authorizing sale of state bonds; appropriating money; amending Minnesota  
Statutes 2008, section 12A.10.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1  
DISASTER RELIEF

Section 1. **DISASTER RELIEF APPROPRIATION SUMMARY.**

The amounts shown in this section summarize direct appropriations made in this  
article.

**SUMMARY**

<u>Public Safety</u>	\$	<u>9,180,000</u>
<u>Board of Water and Soil Resources</u>		<u>2,000,000</u>
<u>Education</u>		<u>173,000</u>
<u>Employment and Economic Development</u>		<u>200,000</u>
<u>Housing Finance</u>		<u>2,700,000</u>
<u>Revenue</u>		<u>250,000</u>
<u>Human Services</u>		<u>200,000</u>
<u>Transportation</u>		<u>2,900,000</u>
<u>Natural Resources</u>		<u>50,000,000</u>
<u>Bond Sale Expenses</u>		<u>60,000</u>
<u>Appropriation Reduction</u>		<u>(10,653,000)</u>

2.1	<b><u>TOTAL</u></b>	<b><u>\$</u></b>	<b><u>57,010,000</u></b>
2.2	<u>General Fund</u>		<u>(350,000)</u>
2.3	<u>Bond Proceeds Fund</u>		<u>54,455,000</u>
2.4	<u>Trunk Highway Fund Bond Proceeds Account</u>		<u>2,700,000</u>
2.5	<u>Trunk Highway Fund</u>		<u>205,000</u>

2.6 Sec. 2. **DISASTER RELIEF APPROPRIATIONS.**

2.7        Subdivision 1. **Appropriations.** The sums shown in the column under  
2.8 "Appropriations" are appropriated from the bond proceeds fund to be spent to acquire and  
2.9 to better publicly owned land and buildings and other public improvements of a capital  
2.10 nature, and from other named funds, for relief as specified in this article from the flooding  
2.11 and storms that occurred on or after March 16, 2009, in the areas in Minnesota designated  
2.12 under presidential Declaration of an Emergency FEMA-3304-EM and Presidential  
2.13 Declaration of a Major Disaster FEMA-1830-DR, whether included in the original  
2.14 declarations or added later by federal government action, referred to in this article as "the  
2.15 area included in DR-1830." The appropriations included in this act are available through  
2.16 June 30, 2011, except that appropriations of bond proceeds or for capital improvements  
2.17 are available until the project is completed or abandoned, subject to Minnesota Statutes,  
2.18 section 16A.642. The appropriations in this article are onetime.

2.19        Subd. 2. **Transfers.** If there is a shortage of money for a program funded in this  
2.20 article, or in the money available for state and local match under Minnesota Statutes,  
2.21 section 12.221, unused general fund money appropriated for any other program or project  
2.22 in this article may be transferred for assistance in the disaster area, to another program or  
2.23 project funded in this chapter. Appropriation transfers must be used to cover unmet needs  
2.24 in a program or project under this chapter. The commissioner of finance must approve  
2.25 all transfers under this section and must report each transfer to the chairs of the senate  
2.26 Finance Committee and house of representatives Ways and Means Committee.

2.27 **APPROPRIATIONS**

2.28 Sec. 3. **PUBLIC SAFETY**

2.29 Subdivision 1. **Total Appropriations** **\$** **9,180,000**

2.30 The amounts that may be spent for each  
2.31 purpose are specified in the following  
2.32 subdivisions.

2.33 Subd. 2. **State Match for Individual Assistance** 26,000

3.1	<u>For the state match for federal disaster</u>	
3.2	<u>assistance to individuals under Minnesota</u>	
3.3	<u>Statutes, section 12.221. This appropriation</u>	
3.4	<u>is from the general fund.</u>	
3.5	<u>Subd. 3. <b>State and Local Match</b></u>	<u>9,154,000</u>
3.6	<u>Appropriations by Fund</u>	
3.7	<u>General</u>	<u>5,254,000</u>
3.8	<u>Bond Proceeds</u>	<u>3,900,000</u>
3.9	<u>For the state and local match for federal</u>	
3.10	<u>disaster assistance to state agencies and other</u>	
3.11	<u>eligible applicants under Minnesota Statutes,</u>	
3.12	<u>section 12.221.</u>	
3.13	<u>The appropriation from the bond proceeds</u>	
3.14	<u>fund is available to fund 100 percent of the</u>	
3.15	<u>state and local match obligations for publicly</u>	
3.16	<u>owned capital improvement projects incurred</u>	
3.17	<u>through the receipt of federal disaster</u>	
3.18	<u>assistance.</u>	
3.19	<u>Subd. 4. <b>Waiver of Contract Approval</b></u>	
3.20	<u><b>Procedures</b></u>	
3.21	<u>State and federal disaster assistance</u>	
3.22	<u>distributed by the commissioner of public</u>	
3.23	<u>safety is not subject to the contract approval</u>	
3.24	<u>procedures of Minnesota Statutes, chapter</u>	
3.25	<u>16A, 16B, or 16C. The commissioner of</u>	
3.26	<u>public safety may adopt internal procedures</u>	
3.27	<u>for administration and monitoring of aids</u>	
3.28	<u>and grants.</u>	
3.29	<u>Sec. 4. <b>BOARD OF WATER AND SOIL</b></u>	
3.30	<u><b>RESOURCES</b></u>	
3.31	<u>Subdivision 1. <b>Total Appropriation</b></u>	<u>\$ 2,000,000</u>
3.32	<u>The amounts that may be spent for each</u>	
3.33	<u>purpose are specified in the following</u>	
3.34	<u>subdivisions.</u>	

4.1	<u>The board may transfer appropriations within</u>	
4.2	<u>this section and may adjust the technical</u>	
4.3	<u>and administrative assistance portion of</u>	
4.4	<u>the appropriation to leverage federal or</u>	
4.5	<u>other nonstate money or to address high</u>	
4.6	<u>priority needs identified in local water</u>	
4.7	<u>management, emergency preparedness, or</u>	
4.8	<u>hazard mitigation plans.</u>	
4.9	<b><u>Subd. 2. Reinvest in Minnesota (RIM)</u></b>	
4.10	<b><u>Conservation Easements</u></b>	<u>500,000</u>
4.11	<u>From the bond proceeds fund to acquire</u>	
4.12	<u>conservation easements from landowners</u>	
4.13	<u>on marginal lands in the area included in</u>	
4.14	<u>DR-1830 that were damaged by the storms</u>	
4.15	<u>and floods of March and April 2009 to restore</u>	
4.16	<u>and protect soil and water quality and to</u>	
4.17	<u>support fish and wildlife habitat as provided</u>	
4.18	<u>in Minnesota Statutes, section 103F.515.</u>	
4.19	<b><u>Subd. 3. Erosion, Sediment, and Water Quality</u></b>	
4.20	<b><u>Control Cost-Share Program</u></b>	<u>1,000,000</u>
4.21	<u>From the general fund to install, repair, or</u>	
4.22	<u>rehabilitate erosion and sediment control</u>	
4.23	<u>projects in the area included in DR-1830 that</u>	
4.24	<u>were damaged by the storms and floods of</u>	
4.25	<u>March and April 2009 to restore and protect</u>	
4.26	<u>soil and water quality and to support fish and</u>	
4.27	<u>wildlife habitat.</u>	
4.28	<b><u>Subd. 4. Red River Basin Commission Grant</u></b>	<u>500,000</u>
4.29	<u>From the general fund for a grant to the</u>	
4.30	<u>Red River Basin Commission to develop</u>	
4.31	<u>a comprehensive plan of action to address</u>	
4.32	<u>flooding and related water quality and</u>	
4.33	<u>land conservation issues in the Red River</u>	
4.34	<u>watershed. The plan must take into account</u>	
4.35	<u>previous federal, state, provincial, regional,</u>	

5.1 and local assessments and make specific  
5.2 recommendations for floodplain management  
5.3 goals and outcomes for the Red River  
5.4 Basin including structural and nonstructural  
5.5 measures, water storage allocations by  
5.6 major watershed, and delineation of roles  
5.7 and responsibilities and time frames for  
5.8 implementation. The commission shall  
5.9 report progress to the legislature by January  
5.10 15, 2010, and each year thereafter.

5.11 Subd. 5. **Waivers Authorized**

5.12 (a) The board may waive the provisions of  
5.13 Minnesota Statutes, section 103C.501, and  
5.14 Minnesota Rules, chapter 8400, in the area  
5.15 included in DR-1830 on land damaged by the  
5.16 disaster. The waiver applies to all existing  
5.17 and future contracts to address critical  
5.18 conservation problems resulting from the  
5.19 disaster that are funded in whole or in part  
5.20 with state money, to the extent that combined  
5.21 federal and state funding does not exceed 100  
5.22 percent. All existing state cost-share grant  
5.23 agreements in the disaster area are extended,  
5.24 as provided in law.

5.25 (b) The payment maximums for  
5.26 improvements to the land under Minnesota  
5.27 Statutes, section 103F.515, subdivision 6,  
5.28 paragraph (a), clause (1), are waived for  
5.29 easements acquired in the area included in  
5.30 DR-1830 on land damaged by the disaster.

5.31 Sec. 5. **EDUCATION**

5.32 Subdivision 1. **Total Appropriation** \$ **173,000**

5.33 From the general fund for additional costs  
5.34 and loss of pupil units relating to the floods

6.1	<u>of March and April 2009. The amounts that</u>		
6.2	<u>may be spent for each purpose are specified</u>		
6.3	<u>in the following subdivisions.</u>		
6.4	<b><u>Subd. 2. Disaster Enrollment Impact Aid</u></b>		<u>127,000</u>
6.5	<u>For disaster enrollment impact aid under</u>		
6.6	<u>Minnesota Statutes, section 12A.06,</u>		
6.7	<u>subdivision 1, calculated at a rate of \$5,946</u>		
6.8	<u>per pupil in average daily membership lost</u>		
6.9	<u>during fiscal year 2009.</u>		
6.10	<b><u>Subd. 3. Disaster Relief Facilities Grants</u></b>		<u>15,000</u>
6.11	<u>For disaster relief facilities grants under</u>		
6.12	<u>Minnesota Statutes, section 12A.06,</u>		
6.13	<u>subdivision 2.</u>		
6.14	<b><u>Subd. 4. Disaster Relief Operating Grants</u></b>		<u>13,000</u>
6.15	<u>For disaster relief operating grants under</u>		
6.16	<u>Minnesota Statutes, section 12A.06,</u>		
6.17	<u>subdivision 3.</u>		
6.18	<b><u>Subd. 5. Pupil Transportation Grants</u></b>		<u>18,000</u>
6.19	<u>For pupil transportation grants under</u>		
6.20	<u>Minnesota Statutes, section 12A.06,</u>		
6.21	<u>subdivision 4.</u>		
6.22	<b><u>Sec. 6. EMPLOYMENT AND ECONOMIC</u></b>		
6.23	<b><u>DEVELOPMENT</u></b>		
6.24	<b><u>Minnesota Investment Fund</u></b>	<b><u>\$</u></b>	<b><u>200,000</u></b>
6.25	<u>From the general fund for transfer to the</u>		
6.26	<u>Minnesota investment fund for grants to local</u>		
6.27	<u>units of government for locally administered</u>		
6.28	<u>grant or loan programs for businesses</u>		
6.29	<u>and nonprofit organizations directly and</u>		
6.30	<u>adversely affected by the flood. Assistance</u>		
6.31	<u>under this section is not limited to businesses.</u>		
6.32	<u>Payments may be made for property damage</u>		
6.33	<u>and cleanup.</u>		

7.1 Criteria and requirements must be locally  
7.2 established with the approval of the  
7.3 commissioner. For the purposes of this  
7.4 appropriation, Minnesota Statutes, sections  
7.5 116J.8731, subdivisions 3, 4, 5, and 7;  
7.6 116J.993; 116J.994; and 116J.995, are  
7.7 waived. Businesses that receive grants or  
7.8 loans from this appropriation must set goals  
7.9 for jobs retained and wages paid within the  
7.10 area included in DR-1830.

7.11 Before any grants under this section are  
7.12 awarded to a local unit of government,  
7.13 the commissioner of employment and  
7.14 economic development shall report to the  
7.15 chairs and ranking minority members of  
7.16 the senate Finance Committee and house of  
7.17 representatives Ways and Means Committee  
7.18 the criteria and requirements to be used by  
7.19 local units of government in the grant or loan  
7.20 programs they will administer.

7.21 Sec. 7. HOUSING FINANCE

7.22 Economic Development and Housing  
7.23 Challenge Program \$ 2,700,000

7.24 From the general fund to the Housing  
7.25 Finance Agency for transfer to the housing  
7.26 development fund for the economic  
7.27 development and housing challenge program  
7.28 under Minnesota Statutes, section 462A.33,  
7.29 for assistance in the area included in  
7.30 DR-1830, Individual Assistance Declaration.

7.31 The maximum loan amount per housing  
7.32 structure is \$30,000. Within the limits of  
7.33 available appropriations, the agency may  
7.34 increase the maximum amount if the cost  
7.35 of repair or replacement of the residential

8.1 property exceeds the total of the maximum  
8.2 loan amount and any assistance available  
8.3 from FEMA, other federal government  
8.4 agencies including the Small Business  
8.5 Administration, and private insurance and  
8.6 flood insurance benefits.

8.7 For assistance under this section, the  
8.8 requirements of Minnesota Statutes,  
8.9 section 462A.33, subdivisions 3 and 5,  
8.10 and Minnesota Rules, part 4900.3632, are  
8.11 waived.

8.12 Sec. 8. REVENUE

8.13 City Flood Loss Aid \$ 250,000

8.14 From the general fund to pay flood loss aid  
8.15 to cities under section 16.

8.16 Sec. 9. HUMAN SERVICES

8.17 Medical Assistance Providers \$ 200,000

8.18 From the general fund for payments  
8.19 to medical assistance providers under  
8.20 Minnesota Statutes, section 12A.10.

8.21 Sec. 10. TRANSPORTATION

8.22 Subdivision 1. Total Appropriation \$ 2,900,000

8.23 The amounts that may be spent for each  
8.24 purpose are specified in the following  
8.25 subdivisions.

8.26 Subd. 2. Infrastructure Operation and  
8.27 Maintenance 200,000

8.28 From the trunk highway fund.

8.29 Subd. 3. State Trunk Highways and Bridges 2,700,000

8.30 From the bond proceeds account in the trunk  
8.31 highway fund for the reconstruction and



9.1 repair of trunk highways and trunk highway  
9.2 bridges that are located in the area included  
9.3 in DR-1830 and that suffered flood-related  
9.4 damage in 2009.

9.5 Sec. 11. NATURAL RESOURCES

9.6 Flood Hazard Mitigation Grants \$ 50,000,000

9.7 To the commissioner of natural resources for  
9.8 the purposes specified in this section.

9.9 For the state share of flood hazard  
9.10 mitigation grants for publicly owned capital  
9.11 improvements to prevent or alleviate flood  
9.12 damage under Minnesota Statutes, section  
9.13 103F.161.

9.14 This appropriation includes money to  
9.15 maximize federal funds for projects in Ada,  
9.16 Breckenridge, and Roseau. Any money  
9.17 remaining from this appropriation is for  
9.18 the following projects as prioritized by the  
9.19 commissioner based on need:

- 9.20 (a) Ada
- 9.21 (b) Agassiz Valley
- 9.22 (c) Albert Lea
- 9.23 (d) Argyle
- 9.24 (e) Austin
- 9.25 (f) Bois de Sioux Watershed District, North  
9.26 Ottawa project
- 9.27 (g) Breckenridge
- 9.28 (h) Browns Valley
- 9.29 (i) Crookston
- 9.30 (j) Granite Falls
- 9.31 (k) Hay Creek-Norland

- |       |   |           |               |
|-------|---|-----------|---------------|
| 10.1  | <u>(l) Inver Grove Heights</u>                          |           |               |
| 10.2  | <u>(m) Manston Slough</u>                               |           |               |
| 10.3  | <u>(n) Moorhead</u>                                     |           |               |
| 10.4  | <u>(o) Oakport Township</u>                             |           |               |
| 10.5  | <u>\$12,000,000 is for the Oakport Township</u>         |           |               |
| 10.6  | <u>project.</u>   |           |               |
| 10.7  | <u>(p) Red Path</u>                                     |           |               |
| 10.8  | <u>(q) Roseau</u>                                       |           |               |
| 10.9  | <u>(r) Shell Rock</u>                                   |           |               |
| 10.10 | <u>(s) Spring Brook</u>                                 |           |               |
| 10.11 | <u>(t) Stillwater</u>                                   |           |               |
| 10.12 | <u>(u) St. Vincent</u>                                  |           |               |
| 10.13 | <u>(v) Two Rivers</u>                                   |           |               |
| 10.14 | <u>For any project listed in this subdivision</u>       |           |               |
| 10.15 | <u>that the commissioner determines is not</u>          |           |               |
| 10.16 | <u>ready to proceed or does not expend all the</u>      |           |               |
| 10.17 | <u>money allocated to it, the commissioner may</u>      |           |               |
| 10.18 | <u>allocate that project's money to a project on</u>    |           |               |
| 10.19 | <u>the commissioner's priority list.</u>                |           |               |
| 10.20 | <u>To the extent that the cost of a project in Ada,</u> |           |               |
| 10.21 | <u>Breckenridge, Browns Valley, Crookston,</u>          |           |               |
| 10.22 | <u>Granite Falls, Oakport Township, Roseau,</u>         |           |               |
| 10.23 | <u>St. Vincent, or any other community affected</u>     |           |               |
| 10.24 | <u>by the April 2009 flooding in the Red River</u>      |           |               |
| 10.25 | <u>basin exceeds two percent of the median</u>          |           |               |
| 10.26 | <u>household income in the municipality</u>             |           |               |
| 10.27 | <u>multiplied by the number of households in</u>        |           |               |
| 10.28 | <u>the municipality, this appropriation is also</u>     |           |               |
| 10.29 | <u>for the local share of the project.</u>              |           |               |
| 10.30 | <b>Sec. 12. BOND SALE EXPENSES</b>                      | <b>\$</b> | <b>60,000</b> |

11.1 To the commissioner of finance for bond sale  
11.2 expenses under Minnesota Statutes, section  
11.3 16A.641, subdivision 8.

11.4 Appropriations by Fund  
11.5 Bond proceeds 55,000  
11.6 Trunk highway 5,000

11.7 Sec. 13. APPROPRIATION REDUCTION \$ (10,653,000)

11.8 This reduction is from the general fund  
11.9 appropriation in 2009 H.F. No. 2323, article  
11.10 15, section 15, as amended by the Senate  
11.11 April 28, 2009.

11.12 Sec. 14. BOND SALE AUTHORIZATIONS.

11.13 Subdivision 1. Bond proceeds fund. To provide the money appropriated in this  
11.14 article from the bond proceeds fund, the commissioner of finance, at the request of the  
11.15 commissioner of public safety, shall sell and issue bonds of the state in an amount up to  
11.16 \$54,455,000 in the manner, upon the terms, and with the effect prescribed by Minnesota  
11.17 Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI,  
11.18 sections 4 to 7.

11.19 Subd. 2. Trunk highway fund. To provide the money appropriated in this article  
11.20 from the bond proceeds account in the trunk highway fund, the commissioner of finance  
11.21 shall sell and issue bonds of the state in an amount up to \$2,705,000 in the manner, upon  
11.22 the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52,  
11.23 and by the Minnesota Constitution, article XIV, section 11, at the times and in the amount  
11.24 requested by the commissioner of transportation. The proceeds of the bonds, except  
11.25 accrued interest and any premium received on the sale of the bonds, must be credited to a  
11.26 bond proceeds account in the trunk highway fund.

11.27 Sec. 15. Minnesota Statutes 2008, section 12A.10, is amended to read:

11.28 **12A.10 HUMAN SERVICES.**

11.29 Subdivision 1. Costs eligible for payment. Notwithstanding the limitations of  
11.30 section 12A.01 and the requirement in section 12A.03 that all appropriations must be  
11.31 used to assist with recovery, the commissioner may pay parties under contract, provider  
11.32 agreement, or other arrangement with the commissioner as of the date of ~~the~~ a natural  
11.33 disaster, or the date when action was taken in anticipation of a possible natural disaster

or other event that threatens the health and safety of individuals served by a program that receives funding from medical assistance for the costs of evacuation, transportation, ~~or~~ medical ~~or~~, remedial, or personal care services provided to vulnerable residents. Costs eligible for payment under this section are those necessary to ensure the health and safety of medical assistance recipients during and up to 60 days following the disaster. ~~To the extent allowed under the state's Medicaid state plan, the commissioner shall pay these costs from the medical assistance account.~~ Only costs that are not already paid for by another source are eligible. The commissioner may make payments for documented incremental costs incurred by a party, may determine an estimate of the costs at the sole discretion of the commissioner, or may use a combination of these two methods. If after receiving payment from the commissioner for a documented cost, the provider is able to acquire payment from another source for that cost, the provider shall reimburse the commissioner in the amount paid.

**Subd. 2. Payment in residential program.** In a residential program, the commissioner shall make payment under this section based on an allocation of costs as determined under subdivision 1 between medical assistance recipients and all other residents. The allocation must not be done in a nursing facility. In a nursing facility the commissioner shall pay all of the costs determined under subdivision 1.

**Subd. 3. Source of payment.** The commissioner shall pay costs under this section using money appropriated for medical assistance and shall seek federal cost sharing to the extent permitted under the Medicaid state plan or under waivers granted by the federal Centers for Medicare and Medicaid Services.

**Sec. 16. 2009 FLOOD LOSS; CITY REPLACEMENT AID.**

**Subdivision 1. Flood net tax capacity loss.** The county assessor of each qualified county shall compute a hypothetical city taxable net tax capacity for each city in the county based upon market values for assessment year 2010 and the class rates that were in effect for assessment year 2009. The amount, if any, by which the assessment year 2009 total taxable net tax capacity of the city exceeds the hypothetical taxable net tax capacity of the city is the city's "flood net tax capacity loss." A county assessor of a qualified county that contains a city that has a flood net tax capacity loss that exceeds five percent of its assessment year 2009 total taxable net tax capacity shall certify the city's flood net tax capacity loss to the commissioner of revenue by August 1, 2009.

As used in this section, a "qualified county" is a county located within the area included in DR-1830.

Subd. 2. **Flood loss aid.** In 2010, each city with a flood net tax capacity loss equal to or greater than five percent of its assessment year 2009 total taxable net tax capacity is entitled to flood loss aid equal to the flood net tax capacity loss times the city's average local tax rate for taxes payable in 2009.

Subd. 3. **Duties of commissioner.** The commissioner of revenue shall determine each city's aid amount under this section. The commissioner shall notify each eligible city of its flood loss aid amount by August 15, 2009. The commissioner shall make payments to each city after July 1, and before July 20, 2010.

Subd. 4. **Optional city expenditure.** A city that receives aid under this section may choose to expend a portion of the aid received for repair of county roads located within the city.

Subd. 5. **Appropriation.** The amount necessary to pay the aid amounts under this section in fiscal year 2011, for calendar year 2010, is appropriated to the commissioner of revenue from the general fund.

Sec. 17. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

**ARTICLE 2**  
**HUGO TORNADO RELIEF**

Section 1. **GRANT.**

The sum of \$350,000 is appropriated from the general fund to the commissioner of employment and economic development for a grant to the city of Hugo for the cost of debris clearance and other disaster costs resulting from damage caused by the May 25, 2008, tornado. This is a onetime appropriation and is available until expended.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

APPENDIX  
Article locations in s2113-1

ARTICLE 1 DISASTER RELIEF ..... Page.Ln 1.12

ARTICLE 2 HUGO TORNADO RELIEF ..... Page.Ln 13.17